

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4339-01  
Bill No.: SB 582  
Subject: Abortions; Taxation and Revenue - Income; Tax Credits  
Type: Original  
Date: January 10, 2012

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Bill Summary: This proposal re-authorizes the pregnancy resource center tax credit.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |            |                             |                             |
|---|------------|-----------------------------|-----------------------------|
| FUND AFFECTED   | FY 2013    | FY 2014                     | FY 2015                     |
| General Revenue   | \$0        | \$0 to (\$2,000,000)        | \$0 to (\$2,000,000)        |
|   |            |                             |                             |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b> | <b>\$0 to (\$2,000,000)</b> | <b>\$0 to (\$2,000,000)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2013    | FY 2014    | FY 2015    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Revenue** and the **Department of Social Services** assume that there is no fiscal impact from this proposal.

Officials at the **Budget and Planning** assume this proposal extends the Pregnancy Resource Center credit from 8/28/12 until 12/31/18. \$1.1 million in credits were redeemed in FY11. This will continue the current reduction in General and Total State Revenue by similar amounts in future years.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state it is unknown how many insurance companies will choose to participate in this program and take advantage of the tax credits. The department has no means to arrive at a reasonable estimate of loss in premium tax revenue as a result of tax credits. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts through out the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year.

**Oversight** assumes this tax credit was to sunset on August 28, 2012. This proposal would extend the tax credit and therefore Oversight will show the loss to state revenue of the tax credits issued in FY 14. This tax credit has a statutory cap of \$2 million. In the last five years an average of \$1,301,308 credits have been issued. **Oversight** will range the fiscal impact of the program from \$0 to the annual statutory limit of \$2 million.

| <u>FISCAL IMPACT - State Government</u>                                   | FY 2013<br>(10 Mo.) | FY 2014                                | FY 2015                                |
|---|---------------------|--|--|
| <b>GENERAL REVENUE</b>  |                     |  |  |
| <u>Revenue Reduction</u> - extension of the pregnancy resource tax credit | <u>\$0</u>          | <u>\$0 to<br/>(\$2,000,000)</u>        | <u>\$0 to<br/>(\$2,000,000)</u>        |
| <b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE</b>                        | <b><u>\$0</u></b>   | <b><u>\$0 to<br/>(\$2,000,000)</u></b> | <b><u>\$0 to<br/>(\$2,000,000)</u></b> |

FISCAL IMPACT - Local Government

FY 2013  
(10 Mo.)

FY 2014

FY 2015

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

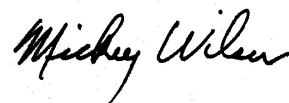
FISCAL DESCRIPTION

This act re-authorizes the pregnancy resource center tax credit until December 31, 2018, and allows for subsequent re-authorizations for any period up to six years by the passage of a bill or concurrent resolution.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Budget and Planning  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Revenue  
Department of Social Services



Mickey Wilson, CPA  
Director  
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